

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 CIAE-00 COME-00
DODE-00 DOTE-00 FMC-01 INR-10 NSAE-00 CG-00
DLOS-09 OES-09 L-03 STR-07 JUSE-00 /070 W
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R 081842Z SEP 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 9822
INFO AMEMBASSY COPENHAGEN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY ATHENS
AMEMBASSY TOKYO
AMEMBASSY STOCKHOLM
AMCONSUL AMSTERDAM
AMEMBASSY PARIS
AMEMBASSY MADRID
AMEMBASSY HELSINKI
AMEMBASSY ROME
AMEMBASSY OSLO

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DEPT PLEASE PASS DOT (S-L)
PARIS ALSO FOR OECD
BRUSSELS ALSO FOR USEEC

E. O. 11652: N/A
TAGS: EWWT, UK, US, PLOS, ETRD
SUBJECT: SECRETARY ADAMS AND SECRETARY OF STATE DELL
DISCUSS MARITIME PROBLEMS

REF: STATE 223603

1. SUMMARY. IN CONVERSATION WITH U.S. SECRETARY OF
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TRANSPORTATION ADAMS, U.K. SECRETARY OF STATE FOR TRADE
DELL SUGGESTED THAT A POSSIBLE COMPROMISE REGARDING THE
UNCTAD LINER CODE WOULD BE TO APPLY IT ONLY TO TRADES TO
AND FROM DEVELOPING COUNTRIES; CALLED U.S.-U.K. BILATERAL
MARITIME RELATIONS "A MESS" AND SAID HE WANTED VERY MUCH
TO IMPROVE THEM; URGED THAT THE U.S. AVOID POLLUTION
PREVENTION LEGISLATION GOING BEYOND IMCO STANDARDS; AND

OBJECTED STRONGLY TO PROVISIONS OF THE DRAFT U.S. DEEP SEABED MINING LEGISLATION WHICH WOULD GIVE PREFERENCE TO U.S. SHIPPING. HIS PERMANENT SECRETARY ADDED THAT SUCH PROTECTIONISM IN SHIPPING MAKES IT DIFFICULT TO TAKE THE U.S. FREE TRADE POSITION SERIOUSLY AT THE MTN IN GENEVA. END SUMMARY.

2. IN CONJUNCTION WITH HIS VISIT TO THE FARNBOROUGH AIR SHOW, U.S. SECRETARY OF TRANSPORTATION BROCK ADAMS CALLED ON U.K. SECRETARY OF STATE FOR TRADE EDMUND DELL, SEPTEMBER 7. THEY REVIEWED THE MAJOR PROBLEMS AFFECTING U.S.-U.K. MARITIME RELATIONS. THE IMPORTANT POINTS OF THE DISCUSSION ARE SET FORTH BELOW. (AVIATION MATTERS RAISED ARE REPORTED SEPTTEL.)

3. UNCTAD LINER CODE: DELL SAID THAT THE U.K. IS UNDER CONSIDERABLE PRESSURE FROM ITS EEC PARTNERS TO ACCEPT THE UNCTAD LINER CODE, THOUGH NOT NECESSARILY IN EXACTLY ITS PRESENT FORM. APART FROM MODEST SUPPORT FROM DENMARK, THE U.K. STANDS ALONE WITHIN THE COMMUNITY IN OPPOSING THE CODE. IN THESE CIRCUMSTANCES, IT HAS SOUGHT TO FIND A COMPROMISE THAT MIGHT RELIEVE THE PRESSURE WHILE PRESERVING U.K. INTERESTS. IN THE BRITISH VIEW, THE OBVIOUS COMPROMISE IS TO PROVIDE THAT THE CODE SHALL NOT APPLY TO TRADE AMONG OECD MEMBERS. DELL SAID HE DOES NOT KNOW WHAT THE U.K. WILL DO IF THE OTHER EEC MEMBERS REFUSE LIMITED OFFICIAL USE

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SUCH A COMPROMISE. SECRETARY ADAMS NOTED THAT ANOTHER COMPROMISE WHICH HAS BEEN PUT FORWARD WOULD RESERVE 40 PER CENT OF THE TRADE FOR DEVELOPING COUNTRIES WHILE LEAVING THE OTHER 60 PER CENT UNALLOCATED. HE ADDED THAT THE U.S. HAS NOT TAKEN A POSITION ON SUCH COMPROMISES. DELL OBSERVED THAT THE U.S. ALREADY HAS BILATERAL ALLOCATION AGREEMENTS WITH CERTAIN DEVELOPING COUNTRIES, WHICH SUGGESTS THAT THE U.S., LIKE THE U.K., MIGHT BE WILLING TO ACCEPT AN ALLOCATION OF SHIPPING IN TRADE WITH OTHER SUCH COUNTRIES.

4. U.S.-U.K. BILATERAL RELATIONS: BOTH DELL AND PERMANENT SECRETARY SIR LEO PLIATZKY EMPHASIZED THAT THE U.K. GOVERNMENT IS INTENSELY INTERESTED IN U.S. MARITIME POLICY. "IN OUR VIEW," SAID DELL, "OUR MARITIME RELATIONS ARE A MESS. THE U.S. DEPARTMENT OF JUSTICE IS INTERFERING IN ACTIVITIES WE CONSIDER LEGAL, PROPER, AND ABOVE-BOARD." WE'D LIKE TO SORT THIS THING OUT, HE CONTINUED, TAKING ACCOUNT OF THE INTERESTS AND LEGISLATION OF BOTH SIDES. DELL SAID HE

DOESN'T LIKE FORBIDDING U.K. COMPANIES TO GIVE INFORMATION IN ANTITRUST INVESTIGATIONS BUT THAT THERE MUST BE SOME UNDERSTANDING ON THE PART OF THE U.S. OF THE U.K. POINT OF VIEW. "WE WANT TO GET THIS IRRITANT OUT OF THE WAY." SECRETARY ADAMS RESPONDED THAT IT SEEMED CLEAR TO HIM THAT THE MATTER IS OF SUFFICIENT CONCERN TO THE U.K. THAT HIGH-RANKING U.S. OFFICIALS NOT PREVIOUSLY INVOLVED SHOULD BE INFORMED.

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5. POLLUTION: DELL NOTED THAT THE U.K. HAS TAKEN
THE POSITION THAT NATIONS SHOULD ACT IN A COORDINATED

INTERNATIONAL WAY IN DEALING WITH POLLUTION AND THAT NATIONS SHOULD NOT ESTABLISH NATIONAL STANDARDS AT VARIANCE WITH THE INTERNATIONAL ONES. THE DRAFT LEGISLATION IN THE U.S. CONGRESS, HE SAID, GOES BEYOND WHAT WAS AGREED AT IMCO IN FEBRUARY. IN REPLY, SECRETARY ADAMS NOTED THAT THE HOUSE BILL WILL BE ON THE FLOOR WITHIN TWO WEEKS. ANTICIPATED AMEND-LIMITED OFFICIAL USE

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MENTS WILL REDUCE ITS SCOPE SO THAT THE ONLY AREA WHERE IT WILL GO BEYOND IMCO STANDARDS WILL BE IN REQUIREMENTS FOR 20 TO 40 THOUSAND DEADWEIGHT TON TANKERS FIFTEEN YEARS OLD OR OLDER. THESE STANDARDS WOULD ONLY COME INTO EFFECT IN 1986, WHICH IS THE DATE WHEN IMCO HAS ALREADY AGREED TO REVIEW THE EXISTING STANDARDS WITH RESPECT TO THIS RANGE OF VESSELS. IN ADDITION, ADAMS SAID, WE EXPECT THE SENATE WILL TAKE THE INTERNATIONAL STANDARDS INTO ACCOUNT IN CONFERENCE COMMITTEE. REAR ADMIRAL WALLACE, MARITIME POLICY ADVISOR TO THE SECRETARY, COMMENTED THAT THE U.S. BELIEVES THAT THE ADDITIONAL REQUIREMENT REGARDING SMALL, OLDER TANKERS WOULD HAVE LIMITED PRACTICAL EFFECT.

6. POLLUTION (CONTINUED): U.K. UNDER SECRETARY ARCHER COUNTERED WALLACE, SAYING THAT THE PROVISION MIGHT CREATE A SHORTAGE OF TANKERS OF THAT SIZE. HOWEVER, HE SAID, THE MAIN PROBLEM IS THAT THE U.S. PROPOSAL CUTS ACROSS THE PRINCIPLE OF INTERNATIONALLY-AGREED ACTION, SETTING AN UNDESIRABLE PRECEDENT. HE NOTED THAT THE BRITISH ARE ALREADY HAVING A PROBLEM WITH UNILATERAL FRENCH ACTIONS. ADMIRAL WALLACE STATED THAT THE ADMINISTRATION WILL CONTINUE TO WORK ON THE SENATE SIDE AND IN CONFERENCE FOR A BILL WHICH WILL NOT BE IN CONFLICT WITH INTERNATIONAL STANDARDS, AND HE NOTED THE POSSIBILITY THAT IF THE LAW CONTAINS SOMETHING IN CONFLICT, IT MIGHT LATER BE AMENDED BEFORE THE PROVISION WOULD COME INTO EFFECT. HE ALSO COMMENTED THAT THE U.S. BELIEVES THAT 20 TO 40 THOUSAND TON TANKERS WILL START TO PHASE OUT IN 1980 WHEN THE FIRST U.S. DEEPWATER PORT GOES INTO OPERATION.

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7. U.S. DEEP SEABED MINING LEGISLATION: DELL NOTED THAT HE UNDERSTOOD THAT THE LEGISLATION PRESENTLY

BEFORE THE CONGRESS WOULD REQUIRE U.S. DEEP SEABED MINING VENTURES TO USE U.S. VESSELS EXCLUSIVELY FOR PROCESSING AND IN PART FOR TRANSPORTATION. THIS, HE SAID, IS A NEW AND WORRISOME MANIFESTATION OF U.S. MARITIME PROTECTIONISM. SECRETARY ADAMS POINTED OUT THAT A SUCCESSFUL LOS CONFERENCE OUTCOME WOULD ENABLE US TO AVOID SOME OF THESE PROBLEMS, BUT PLIATZKY RETURNED TO THE ATTACK, SAYING THAT THE LEGISLATION UNDERCUTS THE U.S. POSITION IN THE MULTILATERAL TRADE NEGOTIATIONS (MTN) WITH REGARD TO OTHER MATTERS. "HOW," HE SAID, "CAN WE TAKE THE U.S. POSITION OF ANTIPROTECTIONISM SERIOUSLY IN THESE AREAS?" NOTING THE POWER OF CONGRESS IN THE U.S., DELL CONCLUDED THAT THE U.K. NEEDS REASSURANCE THAT THE U.S. AS A WHOLE IS ANTIPROTECTIONIST. THE U.S., HE SAID, MUST RECOGNIZE THAT THE U.K. GOVERNMENT HAS SO FAR QUITE SUCCESSFULLY RESISTED CALLS BY U.K. INDUSTRY FOR PROTECTION, INCLUDING PROTECTION AGAINST U.S. INTERESTS. STREATOR

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